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11 United States Attorney
12 District of Nevada
Of Counsel

13 IN THE UNITED STATES DISTRICT COURT FOR THE
14 DISTRICT OF NEVADA

15 UNITED STATES OF AMERICA,
16
17 Plaintiff,

18 v.

19 DAVID MARTINI, individually; MARGARET
20 MARTINI, individually; DAVID and
21 MARGARET MARTINI as trustees of the
22 MANZANITA FAMILY TRUST; MARGARET
23 MARTINI as trustee of the MARJANE FAMILY
24 TRUST; INCLINE MEADOWS LLC; and
25 WASHOE COUNTY

26 Defendants.

Civil No. 3:12-cv-59-PMP-WGC

JOINT MOTION FOR STAY OF
PROCEEDINGS

24 COMES NOW, the United States of America, David Martini, individually; Margaret Martini,
25 individually; David and Margaret Martini as Trustees of the Manzanita Family Trust; Margaret Martini
26 as Trustee of the Marjane Family Trust; and Incline Meadows LLC, who hereby jointly move the court
27 for stay of the current case in order to allow the parties sufficient time to see if a resolution of the issues
28

1 in the instant case is possible. The parties make this request in good faith, and not for the purposes of
2 delay. As explained below, a stay of this action will significantly reduce use of the Court's resources.

3 The parties have now completed discovery under the schedule set by the Court following the
4 Martinis' previously requested extension of the discovery deadlines from January 7, 2013 to February
5 15, 2013, which was not opposed by the United States. (Dkt. 24, Dkt. 25). That discovery included the
6 production of approximately twenty bankers boxes of documents by the Martinis, including numerous
7 envelopes of receipts, cancelled checks, bank records, and other responsive documents, which had not
8 been previously produced to the United States (or the IRS during the audit process), and therefore had
9 not been (nor could they have been) taken into account by the IRS in the course of its examination of the
10 tax years at issue in this case.

11 The United States conducted depositions of the Martinis following this production to determine
12 the scope of these documents and what impact they could have on the determination of the Martinis' tax
13 liabilities. Based on these depositions it appears they could have substantial impact on certain of the tax
14 years at issue. During the course of these depositions the Martinis expressed a willingness to prepare
15 Form 1040 returns for each of the years at issue in this case using the information they produced, as well
16 as the other information they received from the IRS. Because the Martinis had previously not prepared
17 Form 1040 returns for any of the years at issue in this case, the IRS had previously determined the
18 Martinis tax liabilities based on information the IRS obtained from entities reporting payments to the
19 Martinis as well as other business and financial records the IRS could obtain. The records produced by
20 the Martinis (many of which had previously been requested by, but not produced to the IRS), go directly
21 to the income items previously determined by the IRS. The Martinis have located an accountant and an
22 agent to assist them in taking the information and preparing returns to submit to the United States for
23 each of the years at issue in this case. Preparation of these returns will allow for a more orderly
24 resolution of this case as it will allow the parties to significantly narrow the areas of dispute (if any once
25 the returns are prepared), and will greatly facilitate a discussion of what amounts are actually in dispute
26 and by how much.

27 The United States anticipates that the end result of this process would be (1) a stipulation of the
28 amounts the parties agree on; and then either (2a) dispositive motions covering the remaining disputed


1 amounts, if any, or (2b) if such matters are not suitable for summary judgment, a trial only on these
 2 remaining disputed amounts. The Martinis have also expressed a strong desire to include the foreclosure
 3 counts (i.e. the nominee/alter ego determinations) for potential resolution in any discussions with the
 4 United States following preparation of the Form 1040s. The United States is in favor of such a
 5 suggestion. Thus, in the interest of efficiency of the Court's resources, the parties respectfully request a
 6 stay of the entire action to allow the parties to conduct the necessary work to prepare the Form 1040s and
 7 then to review the submitted returns.

8 The Martinis have been informed by the parties assisting them that the process of completing the
 9 Form 1040s for the years at issue in this case will take approximately ninety (90) days. The United
 10 States will need approximately sixty (60) days to review the returns and to try and reach agreement with
 11 the Martinis concerning the tax liabilities set forth in those returns.

12 WHEREFORE, the parties respectfully request a stay of this action for one-hundred and fifty
 13 (150) days, to and until Monday, August 12, 2013 (because August 10, 2013 falls on a Saturday),
 14 vacating the current schedule. The parties will file a status report on Monday, June 17, 2013, to update
 15 the Court on the progress of the process outlined above, and request a status conference to be held on or
 16 about August 12, 2013.

17 Respectfully submitted this 13 day of March 13, 2013.

18 KATHRYN KENEALLY
 19 Assistant Attorney General

20 
 21 ADAM R. SMART
 22 Trial Attorney, Tax Division
 23 U.S. Department of Justice
 24 P.O. Box 683, Ben Franklin Station
 25 Washington, D.C. 20044-0683

26 Attorney for the United States of America

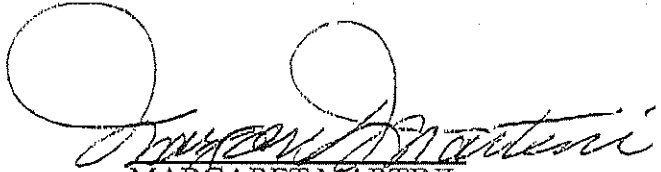
27 Of counsel:

28 DANIEL G. BOGDEN
 United States Attorney

24 
 25 DAVID MARTINI
 26 PO Box 5930
 27 Incline Village, NV 89450



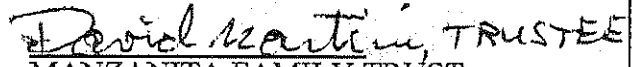
INCLINE MEADOWS LLC
PO Box 5930
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MARGARET MARTINI
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Pro Se

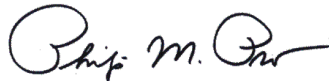


MARLANE FAMILY TRUST
PO Box 5930
Incline Village, NV 89450

 TRUSTEE

MANZANITA FAMILY TRUST
PO Box 5930
Incline Village, NV 89450

IT IS SO ORDERED.



PHILIP M. PRO
UNITED STATES DISTRICT JUDGE

Dated: March 14, 2013.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on March 13, 2013, I electronically filed the foregoing with the Clerk of Court using the CM/ECF system, which will send notification of such filing to the following:

HERBERT B. KAPLAN
Deputy District Attorney
P. O. Box 30083
Reno, NV 89520-3083
Attorney for Washoe County

and that service was made on this date by causing a copy of the foregoing to be sent via postage paid United States first class mail to the following:

Margaret Martini, Trustee
Marjane Family Trust
PO Box 5930
Incline Village, NV 89450

David Martini, Trustee
Manzanita Family Trust
PO Box 5930
Incline Village, NV 89450

Margaret Martini, Member
Incline Meadows LLC
PO Box 5930
Incline Village, NV 89450

Margaret Martini, Individually
PO Box 5930
Incline Village, NV 89450
Pro Se

David Martini, Individually
PO Box 5930
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ADAM R. SMART
Trial Attorney, Tax Division